

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING

April 17, 2013
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor W. J. “Jim” Lane, Scottsdale, Chair
* Mayor Jackie Meck, Buckeye, Vice Chair
F. Rockne Arnett, Citizens Transportation
Oversight Committee
Ron Barnes, Total Transit
* Councilmember Cathy Carlat, Peoria
* Dave Berry, Swift Transportation
Jed Billings, FNF Construction
Vice Mayor Ben Cooper, Gilbert
Mayor Mark Mitchell, Tempe
Councilmember Dick Esser, Cave Creek
Joseph La Rue, State Transportation Board

* Mark Killian, The Killian Company/Sunny
Mesa, Inc.
* Lt. Governor Stephen Roe Lewis, Gila River
Indian Community
* Garrett Newland, Macerich
* Mayor Marie Lopez Rogers, Avondale
Mayor Georgia Lord, Goodyear
Mayor Jerry Weiers, Glendale
Vice Mayor Jack Sellers, Chandler
* Mayor Scott Smith, Mesa
* Mayor Greg Stanton, Phoenix
Karrin Kunasek Taylor, DMB Properties
* Supervisor Clint Hickman, Maricopa County
* Mayor Sharon Wolcott, Surprise

* Not present

Participated by telephone conference call

+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair W. J. “Jim” Lane at 12:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Mayor Georgia Lord, Councilmember Dick Esser, Roc Arnett, and Karrin Kunasek Taylor participated in the meeting by telephone.

Chair Lane noted that material for agenda item #5 was at each place.

Chair Lane requested that members of the public fill out blue cards for Call to the Audience and yellow cards for consent or action items on the agenda, and then turn in the cards to staff, who will

bring them to him. He stated that parking garage validation and transit tickets for those who purchased transit tickets to attend the meeting were available from staff.

3. Call to the Audience

Chair Lane stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Transportation Policy Committee requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Lane noted that no comment cards had been received.

4. Approval of the March 20, 2013, Meeting Minutes

Vice Mayor Cooper moved approval of the March 20, 2013, meeting minutes. Mr. Barnes seconded, and the motion passed unanimously.

5. Transportation Funding Overview

Eric Anderson, MAG Transportation Director, provided a report on transportation funding. He noted that an AASHTO-produced compilation of state transportation funding proposals from around the country was at each place. Mr. Anderson noted that over the life of the 20-year sales tax for transportation in Maricopa County, the estimated revenues were \$6 billion lower than the original projections in 2003. He recalled the program modifications made to accommodate the lower revenue. Mr. Anderson stated that the Arizona Highway User Revenue Fund (HURF) projection to 2022 is also lower – about \$7.5 billion.

Mr. Anderson stated that threats to HURF include diversion of funding, the fixed tax per gallon of gas with no adjustment for inflation, increased fuel economy standards, increased utilization of alternative fuel vehicles, reduced driving due to increased gas prices, and reduced growth in the vehicle license tax. Mr. Anderson noted that the proposed FY 2014 state budget includes a diversion of \$127 million from HURF to the Department of Public Safety.

Mr. Anderson stated that the Arizona gas tax is fixed at 18 cents per gallon, the same amount since 1991. Mr. Anderson noted that if the tax was indexed for inflation with the consumer price index, the gas tax amount would now be 30 cents per gallon. He said that gas prices have escalated but the gas tax rate has not changed.

Mr. Anderson stated that HURF is an important source of funding for roads and streets. He advised that fuel economy standards for new cars per federal guidelines are expected to continue to increase – to 56.5 miles per gallon in 2025 from the current 33 miles per gallon – and this will impact the gas tax collections.

Mr. Anderson stated that due to the increase in fuel economy, the gas tax revenue in 10 to 20 years is expected to see a 25 percent reduction. He explained that currently, the gas tax rate translates into about .68 cents per mile driven. With increased fuel economy, that number is projected to decline to .5 cents per mile and with additional inflation the yield will be less than .4 cents per mile. Mr. Anderson displayed a graph of the state gas taxes in other states and said that Arizona is near the bottom of the list. He added that the average fuel tax per gallon in states surrounding Arizona is 29.7 cents per gallon, and Arizona collects 18 cents per gallon.

Mr. Anderson stated that the HURF needs to be fixed by stopping the diversions and returning the fund to the statutory limit of \$20 million annually; raising the fuel tax and indexing it for future inflation; and replacing the fuel tax with alternative mechanisms to fund transportation. He noted that other states are moving away from the per gallon method to a percentage tax to fund transportation.

Mr. Anderson stated that the cumulative shortfall in the federal Highway Trust Fund from 2015 to 2023 is projected to be approximately \$92 billion. He noted that \$17 billion in shortages in the Highway Trust Fund for 2013 and 2014 resulted in transfers from the general fund to maintain the current funding level. Mr. Anderson said that the President's draft budget shows an increase in revenue due to savings from the war, but it also does not propose any increase in the federal gas tax.

Chair Lane thanked Mr. Anderson for his report. He asked if the principal diversion of the HURF was the Department of Public Safety (DPS). Mr. Anderson replied that historically, most of the diversions have gone to DPS. He explained that the statutory limit is \$20 million annually and noted that about 2009, when the state budget began experiencing problems, the Legislature began diverting more money into DPS and using general fund savings for other uses. Mr. Anderson stated that the Legislature also has diverted funds from the vehicle license tax for the general fund but this has stopped. He explained that ADOT is faced with removing approximately \$350 million from its five-year highway construction program because they are assuming the diversions will continue. Mr. Anderson stated that bringing the diversions down to the statutory limit would amount to \$500 million over five years to HURF. He said that ADOT would receive half of the HURF, which means it would only have to remove \$100 million of projects instead of \$350 million.

Chair Lane asked about gaps in funding at the federal level. Mr. Anderson replied that the \$17 billion shortage that resulted in transfers from the federal general fund was due to a lack of sufficient revenue. He said that highway spending is about \$40 billion – \$28 billion from the Highway Trust Fund and \$12 billion from other sources.

Chair Lane asked about diversions at the federal level, such as users who do not pay a tax or fee. Mr. Anderson stated that funding transit from highway funds began many years ago. He noted that some argued that transit was not a highway purpose, but Congress has decided in federal transportation law that transit is an appropriate use for highway funding.

Chair Lane asked if transit was not considered a diversion, even though some users do not pay fees. Mr. Anderson replied that was correct. Chair Lane requested that when we discuss changes is whether we maintain the integrity on a user fee basis. He suggested an option might be a separate tax for those not paying a fuel tax. Some of the adjustments that have been made have led to an inadequacy to fund roadways sufficiently.

Vice Mayor Sellers asked if there were solutions to the shortage of funds. Mr. Anderson stated that State Legislators expressed at a recent meeting that constituents complain about other issues – education, health care, immigration, or guns – but rarely complain about transportation funding. The transportation system works so well it is a victim of its own success. In addition, it is fairly young infrastructure, but will need rehabilitation in the future as it ages. He said that those are the types of issues they are planning for so there is not a crisis later.

Mayor Mitchell asked if there was a way that the TPC and MAG could help relay the message to the Legislature on the importance of HURF funds. Mr. Anderson replied that a briefing package could be assembled. He added that staff is working on a HURF 101 that could be a part of the package. Mr. Anderson expressed that he thought the situation will only worsen and raising the awareness level could help. He stated that the ADOT Director presenting on the HURF issue for the past few months and the State Transportation Board dealing with the over-programming issue have heightened awareness. Mr. Anderson stated that there is no money outside of Maricopa County to build new capacity on the highway system; in an analysis he ran, there is only \$68,000 available in one of the future years. Mr. Anderson stated that we are seeing the effects: Highway 89 is closed and some maintenance is not being done because there is not enough money. He added that ADOT is even having a difficult time matching the federal funds. He stated that they hope to learn from what other states are doing and put together packages of proposals.

Mr. La Rue stated that ADOT has been shifting maintenance and new-build dollars in the outlying areas of the state to keep projects going. He said that the new five year plan is out for public comment and three scenarios have been suggested – one of which is no build for the next five years. Mr. La Rue stated that people in the outlying areas are becoming aware that roads are vital for jobs and economic development. He stated that the support of Maricopa County at the Legislature is needed. Mr. La Rue stated that there were recommendations that came out of transportation town hall ten years before that have not been advanced.

Chair Lane concurred there is a need for fixes to ensure that the integrity of the system is maintained. He stated that the League of Arizona Cities and Towns has been active on the issue of diversions, which arose out of desperation during the economic crisis. He suggested that the TPC and MAG assemble suggestions.

Mr. Barnes asked if Mr. Anderson had an idea of a timeframe for the package of proposals. Mr. Anderson replied that he did not have a timeframe as this report to the TPC represented opening discussion. He stated that staff could begin assembling briefing materials and short and long term proposals. Mr. Anderson said that this would start the discussions of alternatives to funding transportation and the consequences of not funding transportation.

Chair Lane stated that there could also be discussion of weaning us from dependency at the federal level.

6. Update on Transportation Division Planning Projects

Bob Hazlett, MAG staff, provided an update on transportation division planning projects. Mr. Hazlett first reviewed the accomplishments of Proposition 400 regional freeway and highway projects: the opening of Loop 303 from Happy Valley Road to I-17; expansions along I-10 from Loop 101 to Verrado Way, US-60/Superstition from Val Vista to Meridian, I-17 from Loop 101/North Stack to Anthem Way, and Loop 202/Red Mountain from I-10/SR-51 to Loop 101; the build out of HOV lanes on Loop 101; new HOV lanes on Loop 202; new DHOV interchanges at Loop 101/SR-51, I-10/Loop 202, Loop 101/Loop 202; and improved connections at the SR-143/Sky Harbor Boulevard/SR-202 spur. Mr. Hazlett noted that the region's HOV system is the fourth largest in the nation.

Mr. Hazlett stated that three significant projects are underway: SR-24/Gateway Freeway in Mesa, US-60 reconstruction from 83rd Avenue to 19th Avenue; and Loop 303 from I-10 to US-60/Grand Avenue. He noted that the Loop 303 project is the largest construction project in the Valley and is anticipated for completion in 2014, instead of 2015. Mr. Hazlett displayed photographs of the construction.

Mr. Hazlett then addressed planned projects: add lanes in the East Valley along Loops 101 and 202; construct the Loop 202/South Mountain Freeway; identify projects for the I-10/I-17 central Spine; add an extension to Loop 303 from I-10 to MC-85; improve intersection (including a grade separation) at US-60/Grand Avenue and Bell Road.

Mr. Hazlett reported on recently completed studies that show this region is near capacity for freeway expansion and what might go into the Next Generation Regional Transportation Plan. He first spoke on the Central Phoenix Transportation Framework Study, and noted that people are asking for transit and for all modes to work together as one system. Mr. Hazlett noted that more than 350 different projects for the Central Phoenix area were identified during a project charette last year. The consultant has taken some time to sift through them, identify the recurring themes and common items to provide a summary of options for future regional transportation plans. Mr. Hazlett stated that the emphasis was not on capacity expansion to the highway system, but to consider reliability in future decisions, and to advance congestion pricing as a means to meet that end.

Mr. Hazlett stated that the Southeast Corridor Major Investment Study was a springboard for many of the ideas in the Central Phoenix Transportation Framework Study. He said that the City of Tempe asked if there was an alternative to the 25-lanes around the Broadway curve. Mr. Hazlett stated that the study revealed there was a need to take advantage of the system with more DHOV access (eliminates weaves) and to consider congestion pricing versus simply adding more pavement. Mr. Hazlett stated that the study found that the operational results were better than just adding pavement as identified previously.

Mr. Hazlett reported on the Interstate 10 and Interstate 17 Corridor Program Study. He said that this corridor is also known as the Spine. He stated that there is still \$1.47 billion planned for the corridor and there may be other ways to look at the Spine.

Mr. Hazlett stated that US-60 has been studied extensively, with 54 total projects and/or studies documented since 1988. He stated that the four corridor concepts from the US-60/Grand Avenue Corridor Optimization, Access Management Plan, and System Study (COMPASS) have been accepted by the COMPASS partners. Mr. Hazlett stated that one concept advances commuter rail, and another concept advances operational improvements as an alternative to adding lanes. He noted that Grand Avenue is the only corridor in the Valley linking six city centers.

Mr. Hazlett then reported on the Sustainable Transportation and Land Use Integration Study. He said that more information will be forthcoming at a future TPC meeting, but he provided some highlights of the effort. Mr. Hazlett stated that the Transit Framework Study, accepted by the MAG Regional Council in 2010, identified 44 new high capacity corridors. He said that all of them cannot be supported from a land use perspective, and this study helps narrow down decisions about those corridors.

Mr. Hazlett then spoke of efforts to study the Interstate 11 (I-11) corridor. He said that when the Building a Quality Arizona effort was launched in 2006 with the Hassayampa Framework Study, it was apparent that inside the MAG region good planning was being accomplished, but that external connections, particularly on the Interstate system, were not completely being addressed. Mr. Hazlett stated that I-11 was a major component of that realization and the need for better connections to the Phoenix metropolitan area. He said that the Sun Corridor Freight Transportation Framework Study identified how the Valley could capitalize on northbound and westbound freight flows to improve its economy and opportunities.

Mr. Hazlett stated that other completed studies include the Regional Transit Framework Study, Designing Accessible Transit Communities, the Southwest Valley Transit Study and the Northwest Valley Transit Study. Studies underway include the Carefree-Cave Creek Study and the Southeast Valley Transit Study.

Mr. Hazlett stated that Active Traffic Management reduces congestion by getting the most out of the pavement. He said that freeway capacity starts to break down at 1,600 vehicles per hour per lane, but capacity is actually at 2,200 vehicles per hour per lane. Another 400-500 per hour per lane would be the equivalent of another lane of traffic on a facility with four general purpose lanes in one direction. Items to help with that could be variable speed limits.

Mr. Hazlett stated that managed lanes aim to minimize turbulence in traffic flows, and can substantially eliminate bottlenecks. He said that an earlier presentation to the TPC showed how such an application in Melbourne, Australia, helped to eliminate shock waves presently seen throughout the MAG system today. Mr. Hazlett stated that eliminating these shock waves also improves safety because secondary and tertiary crashes are reduced, which are often the ones that have the greatest incidents of casualties. He reported that there are staffing constrictions at Traffic

Operations Centers, and some even close at 5:00 p.m. right at the height of peak travel in the Valley.

Mr. Hazlett noted that results from the first phase of the MAG Managed Lanes Study state that a congestion-priced managed lanes system is feasible here in the Phoenix metro area. He said that modeling shows that speeds in the lanes are operating in the 45-55 mph range during the peak periods suggesting the travel times in these lanes would be reliable for HOV users and toll customers.

Mr. Hazlett stated that there may be a different system than currently used. He noted that issues include funding uncertainties, new economic direction that includes a focus on freight and goods movement, transit successes, and operations and maintenance.

Mr. Hazlett stated that in the Phoenix metro area at the completion of Proposition 400, ADOT will maintain close to 6,000 miles of highway and almost 900 bridges. He noted that ADOT has done a remarkable job, but by 2040 parts of the system will be 50 years old and maintenance and rehabilitation will be needed. Mr. Hazlett stated that a next generation regional transportation plan is in the formulation stage and is anticipated to be complete in 2015.

Chair Lane thanked Mr. Hazlett for his report and asked for further definition of a shock wave. Mr. Hazlett explained that a shock wave can be caused by an incident or congestion, when traffic has to slow down suddenly. He added that this slowdown can cause secondary or tertiary crashes.

Chair Lane asked how consistent were the suggestions of the managed lanes study team with current plans. Mr. Hazlett replied that the consensus was that we are moving in the right direction and that new facilities and capacity expansion in the Regional Transportation Plan are still needed. Mr. Hazlett stated that people also want to know the level of freedom from congestion by adding pavement. He said that people want more choices and opportunities.

Mr. Barnes stated that Mr. Hazlett had outlined a great plan and asked if an advisory or technical committee would be reviewing this before it came back to the TPC. Mr. Hazlett replied that the TPC has been viewed as advisory, but staff is also working with the partners – Valley Metro, ADOT, and member agencies on the next generation regional transportation plan. He added that with the metropolitan planning area expected to increase, Pinal County also will be a partner.

7. Recommendation from the MAG Managed Lanes Network Development Strategy - Phase I Study

Mr. Hazlett reported on the MAG Managed Lanes Network Development Strategy - Phase I Study. He said that recommendations from Phase I would be presented and this item was on the agenda for possible action to continue on to the next phase of the study. Mr. Hazlett stated that this was an opportunity to look at the region's HOV system, which is the fourth largest system in the nation. It runs well, but there are spots that break down and the question is whether its reliability can be improved.

Mr. Hazlett stated that the managed lanes network strategy was developed in part in response to House Bill 2396 enabling public-private partnership opportunities in Arizona. He described the study effort as a four-phase process: network feasibility, network concept, corridor concept, and implementation. He noted the terms express lanes and managed lanes are interchangeable. Mr. Hazlett stated that express or managed lanes are dedicated lanes for one or more user groups. He said that the region's HOV system is a managed lanes system. Mr. Hazlett stated that managed lanes provide better reliability and/or level-of-service, in addition to commuter choices, enhanced transit services, positive environmental impacts, and revenue.

Mr. Hazlett stated that a draft Executive Summary of Phase One was included in the agenda packet. He said it was assembled with a technical group of the planning partners – member agencies, ADOT, FHWA, and Valley Metro. Mr. Hazlett described the goals and objectives. He said that the partners agreed this was about improved mobility and reliability, not to generate revenue.

Mr. Hazlett stated that White Papers were developed last year, which revealed that active traffic management and congestion pricing work together. Mr. Hazlett stated that the team looked at where price-managed lanes could be constructed, both from capacity and constructability. He noted that the corridors that could really benefit from price-managed lanes are the ones that would be the most difficult to construct or, the most expensive, for example, SR-51.

Mr. Hazlett stated that the consultants ran a traffic and revenue analysis to evaluate a single lane system (Scenario One) and a dual lane system (Scenario Two). He noted that both have benefits. Mr. Hazlett displayed maps of the top performing segments in single lane and dual lane scenarios. He reported that the forecast showed I-17, I-10 West, Loop 202 from SR-51/I-10 to Loop 101, US-60, and Loop 101 between Loop 202 and Shea Boulevard performed well regardless of scenario. In terms of the Spine, I-10 Southeast was not in the top five for a single lane because the demand is too great, but performed very well for double lanes. Mr. Hazlett noted that the entire system was operating at speeds exceeding 55 mph for year 2031.

Chair Lane asked the model that was used and if the value of the single or dual lane models was tied to dollars or the percentage of utilization that would be allowed. Mr. Hazlett replied that the model assumed the current HOV policy of two-plus would ride in the lanes for free and to single occupant vehicles who want to use the lanes for a fee. He explained that the consultants used data on revenue from other areas because this region does not have tolls. Mr. Hazlett stated that usage of these types of lanes is tied to the amount of traffic in the price managed lanes. He stated that the data also included demographic information.

Chair Lane stated that the extent of usage would be dependent on the miles per hour of a general purpose lane versus a managed lane. Mr. Hazlett stated that the analysis also took into account speeds on shoulders.

Chair Lane asked if the models used the same speed limit – not the enhanced speed limit of 85 mph as Texas had done. Mr. Hazlett replied that was correct – the speeds of general purpose lanes and managed lanes were the same.

Mr. Hazlett then addressed revenue forecasts and costs. Over a 30-year period, the single lane scenario is projected to generate \$4.8 billion to \$5.8 billion. He said that the operational and capital cost is estimated between \$1.9 billion to \$2.4 billion, netting a positive cash flow of \$2.9 billion to \$3.4 billion over 30 years, or roughly \$100 million per year. Mr. Hazlett stated that the double lane scenario over a 30-year period is projected to generate \$6 billion to \$7.4 billion. He noted that the capital and operational cost is higher than the blue scenario – between \$4.6 billion and \$5.7 billion – netting a positive cash flow of \$1.4 billion to \$1.7 billion over 30 years, or roughly \$50 million per year. Mr. Hazlett noted that a driver could stay in the managed lanes if they were unable to exit and not incur costs.

Mr. Hazlett advised that these figures are very preliminary. He stated that the biggest variable is construction costs and accounts only for putting the lanes in, but does not account for major facility reconstruction such as new overcrossings, DHOVs, etc. Mr. Hazlett stated that this analysis says that the system pays for itself and is reliable.

Mr. Hazlett stated that based on the findings, it is recommended that MAG and its key transportation partners actively pursue implementing a broad array of enhanced mobility options, including the use of Managed Lanes, Congestion Pricing, Active Traffic Management, and other similar innovative transportation solutions.

Mr. Hazlett stated there were also four sub-recommendations, one of which is branding. He noted that Washington state was successful in this regard, calling their program “Good to Go.” Mr. Hazlett noted that Washington combined the tolling program with other elements of the transportation system, such as ferry or bus, to convey the value that is being provided throughout Washington State. Mr. Hazlett stated that the toll program was successfully used for reconstruction of the SR-520 bridge, which was near the end of its service life.

Mr. Hazlett stated that the next part of the recommendation is to identify an opportunity to institute Active Traffic Management at an early date. He noted that such a project has been discussed and studied since 2008. Mr. Hazlett stated that MAG and partners have worked together to identify an Integrated Corridor Management Project for the Interstate 10/Papago Freeway Corridor from SR-85 in Buckeye to downtown Phoenix. He said that the core concept is to provide motorists with alternatives to Interstate 10: parallel corridors/streets they can use in case of an incident. There would be improvements to the alternative corridors, such as re-timing of traffic signals to handle the increased traffic. Mr. Hazlett noted that the important component needed is people to operate the traffic operations centers.

Mr. Hazlett stated that another recommendation is to have some managed lanes demonstration projects. He explained how Interstate 25 in Denver included a reversible HOV system and they tested a price managed lanes system. Mr. Hazlett stated that it was very successful. He suggested that the DHOV systems in the MAG region might be a candidate for a managed lanes pilot program in Phase II.

Mr. Hazlett stated that the last part of the recommendations is to review guiding policies that would apply to managed lanes, for example, the striping of HOV lanes. He explained that the

region's freeways are out of conformance with the Manual on Uniform Traffic Control Devices (MUTCD) because the line separating HOV lanes from general purpose lanes is a solid line. Mr. Hazlett noted that the MUTCD governs pavement markings, signs, and signals, along with communicating to the public how these guidelines are used in driving. He explained that the MUTCD wants a skip line between HOV lanes and general purpose lanes. Mr. Hazlett stated that in this region, a driver can cross a solid white line to enter and exit HOV lanes, but this is prohibited in other states. Mr. Hazlett noted that the skip stripes could be returned to solid lines in case HOV lanes would be restricted.

Mr. Hazlett stated that a recommendation for approval to move on to Phase II of the study is requested.

Chair Lane thanked Mr. Hazlett for his report and asked if there were questions.

Vice Mayor Cooper referenced marketing and branding. He said that one of his questions all along is on presentation. Vice Mayor Cooper stated that phrases such as more time with family or fewer accidents, or new choices and options might be helpful in branding. He said that those are the things he thinks of that would be beneficial. Vice Mayor Cooper stated that for it to have success, whether that type of assistance would be a part of managed lanes. Mr. Hazlett replied that outreach to the public would be a part of Phase II. He noted that Utah discussed the benefits and reliability with its Interstate 15 project. Mr. Hazlett stated that Utah capped the toll at \$2 for peak time at the entire distance, but provided users with reliable travel times.

Chair Lane recognized public comment from Tom Martin, a retired resident of Goodyear and legislative liaison for the Arizona Automobile Hobbyist Council. Mr. Martin expressed opposition to legislation that will impact automobile restorers and to toll roads in Arizona. He stated that managed lanes that use tolls are a prelude to toll roads. Mr. Martin expressed that he was not opposed to managed lanes and thinks they are a good idea, but they appear to be tied to generating funds. He stated that he drives from Goodyear into Phoenix and he has noticed that the HOV lanes on Interstate 10 are underutilized. Mr. Martin added that taking one or two of the five lanes forces the rest of the traffic into three lanes, which is not a good solution. He stated that toll roads will greatly impact families and working people. Mr. Martin suggested eliminating tolls and financing improvements another way. He said this situation focuses on revenue generation, and said the solution of managed lanes is a good one, but he preferred not focusing on revenue generation. Chair Lane thanked Mr. Martin for his comments.

Chair Lane recognized public comment from Dan Martorano, a resident of Mesa, who lived has in 39 different states and three foreign countries while working for the government. He said that he was familiar with mass transit, having grown up in Boston, Massachusetts, and has been an owner of small business for 28 years. Mr. Martorano stated that he thought that people do not think outside the box. He said he has seen his business decline 60 percent over the past six years, but he has remained in business because he thinks outside the box. Mr. Martorano stated that he is an engineer and he sees there are assets in this county, some not utilized, that can be utilized to build and maintain the highway system. He stated that Arizona has the best highway system in the United States and he knows because he uses it day in and day out. Mr. Martorano stated that

ADOT does a wonderful job, but we need to learn from other people's mistakes. He stated that tolls will cost drivers 15-20 cents per mile and businesses will pass this cost along to its customers. He said that his trips from Mesa to Phoenix for business will cost him an extra \$100 per week. Mr. Martorano encouraged the involvement of small businesses. He stated that he has seen ADOT demolish tax-generating buildings along Interstate 10 in the area between 40th and 48th streets, people are laid-off and now there are empty, weed-filled lots. Mr. Martorano encouraged collecting revenue from areas other than tolls. He said that small businesses will be asked to bear the brunt of the cost. Chair Lane thanked Mr. Martorano for his comments.

Chair Lane recognized public comment from William Gilmore, the owner of Automobile Research Services, Assistant Curator at the Scottsdale International Auto Museum, and member of the Society of Automotive Historians. He commented on funds being diverted and said the agencies have done well managing highways, but important decisions will need to be made. Mr. Gilmore stated that decisions made by the TPC will affect highway history and will influence whether the middle class survives in Arizona and the United States. Besides ending diversions, raising the fuel tax and indexing it to inflation to stabilize the funding source, decision makers need to live within their means until funding increases as the economy recovers. Mr. Gilmore stated that alternative funding sources for highways also need to be considered. He said that he felt toll roads benefitted only banks and investors, who require a 30-year commitment and ADOT can commit to 50-year contracts. Mr. Gilmore suggested using Highway Project Advancement Notes, which is a financing mechanism used successfully by the City of Mesa. He stated that the average toll is 15 cents per mile and the government has suggested a 15 cent per mile vehicle mile travel tax. Mr. Gilmore stated that the average driver travels 12,000 to 15,000 miles per year and 30 cents per mile will impact the middle class. He submitted a document for the public record. Chair Lane thanked Mr. Gilmore for his comments.

Chair Lane recognized public comment from Tony Bradley, President of the Arizona Trucking Association. He stated that his organization is committed to working with MAG on this proposal, but has questions. Mr. Bradley stated that for high occupancy tolls, his organization is unopposed to tolls on new capacity, but is opposed to tolls on existing general purpose capacity. He stated that his organization wants to be at the table to answer questions and be involved in discussions. Chair Lane thanked Mr. Bradley for his comments.

Chair Lane recognized public comment from Marvin Rochelle, who gave the Will Rogers Toll Road as an example. He said that the reason toll roads are used is because they save a lot of time, commercial drivers in particular. Mr. Rochelle stated that tolls are reasonable because of the benefits received: savings on fuel and driver man hours, and less pollution. He stated that toll roads have a place if used with discrimination. The toll roads in Dallas work well. Chair Lane thanked Mr. Rochelle for his comments.

Chair Lane called for a motion to recommend approval to move on to Phase II of the MAG Managed Lanes Network Development Strategy project. Mr. Barnes moved, and Vice Mayor Cooper seconded. Upon seconding the motion, Vice Mayor Cooper stated that the comments heard at the meeting today are much appreciated and show that there is a need for public discussion. He

stated that public dialogue is a big part of the process and we cannot hear the public dialogue if we do not move on to Phase II.

Chair Lane asked if there was discussion of the motion.

Mayor Weiers asked for confirmation that a quorum was present. Quorum was confirmed.

Without further discussion, the vote on the motion passed unanimously.

8. ADOT Passenger Rail Study, Tucson to Phoenix

Mike Kies, from the Arizona Department of Transportation (ADOT), provided an update on the ADOT Passenger Rail Study from Tucson to Phoenix. Mr. Kies stated that setting a vision for the transportation system in Arizona for 2050 resulted from the Building a Quality Arizona (BQAZ) process in 2010. He said that passenger rail was part of the vision.

Mr. Kies displayed a map of possible intercity rail, commuter rail, and passenger rail corridors. He stated that implementation was then studied, with the Phoenix to Tucson corridor the highest priority in the feasibility study.

Mr. Kies then explained the passenger rail corridor study process and indicated that the alternatives analysis is being completed, after which they will complete their deliverables. Mr. Kies stated that two processes were blended into this one study – from the Federal Railroad Administration and the Federal Transit Administration – who are co-leads on the study.

Mr. Kies stated that seven preliminary alternatives will be presented to the public and agencies to distill down to a couple of preferences. He noted that one bus option on Interstate 10 is one of the alternatives to provide express bus service between Tucson and Phoenix. Mr. Kies stated that the alternatives include six rail options, including one that follows the Interstate 10 alignment, one that follows the Union Pacific alignment, and combination alternatives.

Mr. Kies stated that they conducted a three-legged process on the alternatives: (1) outreach to the public to get comments; (2) coordinate with 46 agencies in Maricopa and Pinal counties; (3) conduct technical analyses of the alternatives. Mr. Kies then reported on the outreach they conducted – he said almost 7,000 surveys were completed by the public, which is a significant amount.

Mr. Kies stated that survey respondents were asked their preferred travel choice between Tucson and Phoenix and more than 77 percent responded train. He noted that the respondents also indicated preference for alternatives in the East Valley. Mr. Kies stated that they will be taking two alternatives forward to the EIS and select a locally preferred alternative. He noted that the two alternatives have not yet been fully vetted, but he thought one alternative would follow Interstate 10 from Phoenix to Tucson and one alternative would access eastern Pinal County and the East Valley of the Phoenix Metro area.

Mr. Kies also noted some orange areas on a map that indicate areas that will be evaluated in the EIS, called common corridors. He said that the final alternative will have one alignment that goes as far west as Surprise and Buckeye, one common corridor to Tempe, and one corridor from Picacho to Tucson.

Mr. Kies noted the schedule and next steps, which includes continuing coordination and support from local agencies; completing the Final Alternatives in Spring 2013; completing the Draft EIS in Fall 2013, followed by a 45-day public comment period and public hearings. Mr. Kies stated that a Final EIS and final report is anticipated by early 2014. He stated that the Final EIS will document the locally preferred alternative. Mr. Kies stated that the Service Development Plan, which is an implementation plan, will then be created.

Chair Lane thanked Mr. Kies for his report. He first asked if an economic feasibility study had been conducted, to show the cost of construction and operations and the source of funding. Chair Lane also referenced the 77 percent of respondents who indicated a train would be their preferred mode of transportation between Phoenix and Tucson, and asked the cost that was presented to them. He stated that he had spoken to the mayor of Salt Lake City about commuter rail, but this route was labeled as passenger rail, and he wondered if operations would be subsidized to 80 percent as is the rail in Salt Lake City. Chair Lane expressed that he was quite concerned about the anticipated funding source; if it was going to be public sources would it include capital and operational costs, and whether or not this has been looked at from an economic feasibility viewpoint.

Mr. Kies replied that no funding source for passenger rail has been identified, but they are doing studies ahead of time and passenger rail could be a part of a funding package if the public wants to implement such a system. Mr. Kies stated that they have done a very cursory cost estimate with the preliminary alternatives. He said they have not done ridership modeling to determine the revenue side. Mr. Kies stated that the FTA wants them to do a financial feasibility analysis, which will look at capital and operating costs, as a part of the final alternatives analysis. Mr. Kies stated that they have shared with the public a report that showed the difference in cost among alternatives. He added that they understood some alternatives were more costly than others. Mr. Kies stated that the more than 7,000 members the public who filled out the survey were told that no funding source had been identified and asked their suggestions for funding. He said that they are still analyzing the results to see if the public favors more taxes or user fees as funding.

Chair Lane stated that the last time rail was discussed, a potential ridership number that was substantial was identified for a Phoenix to Tucson commuter rail route. He urged caution in dependency on a non-scientific study whose results were derived from a perception that rides would be no cost and taxpayer funded. Chair Lane also noted that for a funding mechanism, there is not a strengthening scenario for funding, either federally or locally, and there is an overburdening. He asked if an alternative, self sustaining, viable system that people would be willing to pay for was being considered. Chair Lane expressed that we would not want to pursue something if it is not going to happen.

Mr. Kies stated that the FTA financial feasibility process will show the public how close a system could be to being self-sustaining on revenue. He acknowledged that has not happened around the country yet.

Chair Lane expressed caution for a system that would be built, operated, and subsidized by taxpayers, especially in these economic times. He said that alternatives might be an interesting way to go if there is an issue to be answered, especially on the commuter side.

Mayor Weiers asked why the bicycles mode was included among the preferred methods of transportation. He remarked that all modes are available except trains and the results seemed skewed because of the addition of bicycles. Mr. Kies replied that the bicycles mode was included to ensure that all feasible modes were covered in the survey.

9. Legislative Update

No report.

10. Request for Future Agenda Items

No requests were noted.

11. Comments from the Committee

No comments were noted.

Adjournment

The meeting adjourned at 2:00 p.m.

Chair

Secretary